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ZHONGDA INTERNATIONAL HOLDINGS LIMITED

(中大國際控股有限公司 *)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00909)

PRICE SENSITIVE INFORMATION IN RELATION TO THE FORMATION OF SPECIAL INVESTIGATION COMMITTEE AND POSSIBLE CONFLICT OF INTERESTS BETWEEN DIRECTORS AND THE COMPANY

This announcement is made pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board of Directors of the Company wishes to announce that on or about 26 July 2011, the Company has received the Letter from a law firm on behalf of the Inquiring Shareholder seeking for the Requested Clarification.

Upon receipt of the Letter and review of the information made available to the Board, it was revealed that the Subject Directors may have possible business interests which are in conflicts with the Group. Accordingly, at a meeting of the Board convened and held on 28 July 2011, resolutions has been passed for (i) the formation of the Special Investigation Committee to undertake investigation on matter pertaining to the Requested Clarification, and (ii) the appointment of Mr. Henry Sun as the chairman of the Special Investigation Committee.

This announcement is made pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Zhongda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that on or about 26 July 2011, the Company has received a letter dated 22 July 2011 (the “**Letter**”) from a law firm seeking for clarification and explanation from the Board on the relationship between the Company and Zhongda

* For identification purposes only

Qibao Group Company Limited (中大汽保集團*) (“**Zhongda Qibao**”), China International Automobile Post-market Industrial Park (Yancheng) (中國國際汽車後市場產業園(鹽城)*) (“**CIAP**”) and Zhongda Automobile Group Company Limited (中大汽車集團公司*) (“**Zhonda Automobile**”) are queried, and whether there are possible business competition between the Company, Zhongda Qibao, CIAP and Zhongda Automobile (the “**Requested Clarification**”).

The Letter was issued to the Company by the law firm on behalf of a shareholder (the “**Inquiring Shareholder**”). It was stated that from the website of Zhongda Group (中大集團*) (“**Zhongda Group**”) and the Company, it was impliedly demonstrated that the Company, Zhongda Qibao, CIAP and Zhongda Automobile are collectively part of the group companies of Zhongda Group. However, in the 2010 annual report of the Company, there is no information suggesting that Zhongda Qibao and GIAP are subsidiaries or associated companies of the Company. Therefore, the Inquiring Shareholder has sought clarification on the relationship between the Group and such companies.

Upon receipt of the Letter and review of the information made available to the Board, it was revealed that 2 of the Directors, Mr. Xu Lian Guo and Mr. Xu Lian Kuan (the “**Subject Directors**”) may have possible business interests which are in conflicts with the Group. Accordingly, at a meeting of the Board convened and held on 28 July 2011, resolutions has been passed for (i) the formation of a special investigation committee (the “**Special Investigation Committee**”) to undertake investigation on matter pertaining to the Requested Clarification, and (ii) the appointment of Mr. Sun Ka Ziang Henry (“**Mr. Henry Sun**”), the chairman of the audit committee of the Company, as the chairman of the Special Investigation Committee. Apart from Mr. Henry Sun, the other members of the Board (except the Subject Directors) are entitled to nominate themselves to join the Special Investigation Committee.

The Board will make further announcement in relation to the results of the investigation of the Requested Clarification as and when appropriate.

The Board considers that the subject matter of the Requested Clarification would not affect the day to day operations and business of the Group.

In the meantime, shareholders of the Company and investors are advised to exercise extreme caution in dealings in the securities of the Company.

By order of the Board
Zhongda International Holdings Limited
Kwok Ming Fai
Executive Director

Hong Kong, 29 July 2011

As at the date of this announcement, the Board comprises Messrs. Xu Lian Guo, Xu Lian Kuan, Zhang Yuqing and Kwok Ming Fai as executive Directors; Mr. Leung Kwok Chun as non-executive Director; and Messrs. Gu Yao Tian, Sun Ka Ziang Henry and Li Xinzhong as independent non-executive Directors respectively.